

Health and Human Services

| <u>Operating Budget</u> | <u>FY1993</u> | <u>FY2003</u> | <u>Annual %Chg</u> | <u>Total %Chg</u> |
|---|----------------|------------------|--------------------|-------------------|
| <i><u>By Department or Division</u></i> | | | | |
| Catastrophic Health Care | --- | \$10.4 | --- | --- |
| Health & Welfare | 532.9 | 1,216.4 | 8.6% | 128.3% |
| Environmental Quality | 29.3 | --- | --- | (100.0%) |
| Family & Community Svcs | 46.5 | 148.0 | 12.3% | 218.4% |
| Commissions & Councils | 1.5 | 4.0 | 9.9% | 157.4% |
| Indirect Support Services | 15.5 | 31.0 | 7.2% | 100.2% |
| Medical Assistance | --- | 857.8 | --- | --- |
| Public Health Services | 29.9 | 52.8 | 5.8% | 76.4% |
| Veterans Services | 7.2 | --- | --- | (100.0%) |
| Welfare | 331.5 | 122.8 | (9.5%) | (63.0%) |
| Community Rehabilitation | 71.4 | --- | --- | (100.0%) |
| Public Health Districts | 4.3 | 10.3 | 9.1% | 138.7% |
| Total | \$537.2 | \$1,237.2 | 8.7% | 130.3% |

By Fund Source

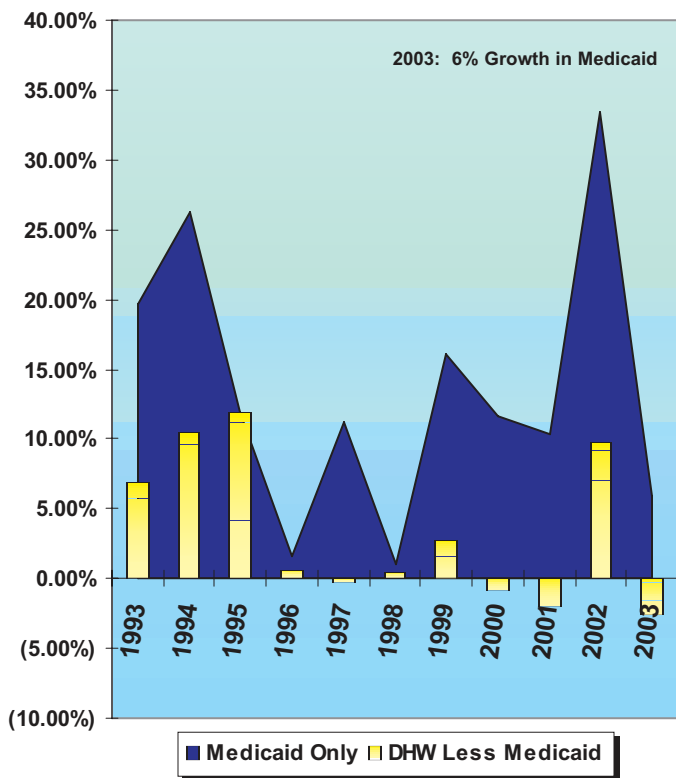
| | | | | |
|--------------|----------------|------------------|-------------|---------------|
| General | \$168.2 | \$378.2 | 8.4% | 124.8% |
| Dedicated | 64.4 | 63.5 | (0.1%) | (1.4%) |
| Federal | 304.6 | 795.5 | 10.1% | 161.1% |
| Total | \$537.2 | \$1,237.2 | 8.7% | 130.3% |

Numbers Displayed in Millions of Dollars and May Not Add Due to Rounding

- ◆ **Environmental Quality and Veterans Services** were moved from the Department of Health and Welfare in fiscal year 2001. Environmental Quality was established as a standalone department, and Veterans Services was moved under the Department of Self-Governing Agencies.
- ◆ **Medical Assistance (Medicaid)** was moved from the Division of Welfare and established as a separate division in fiscal year 1997.
- ◆ The **Division of Community Rehabilitation** was merged with the Division of Family and Community Services in fiscal year 1997 as part of a departmental reorganization.

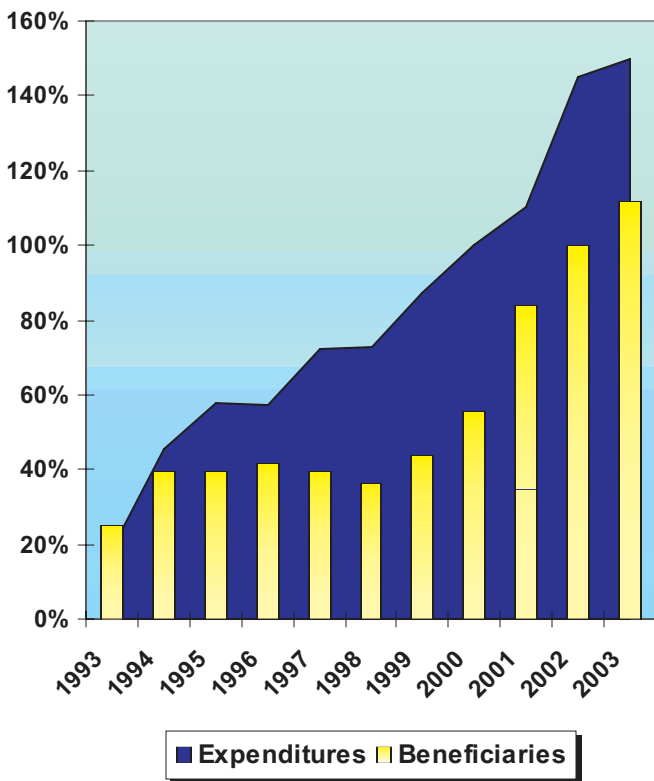
Health & Welfare Spending Patterns

*Percentage Change in Medicaid vs. All Other Health and Welfare Spending
(Total Funds)*



- ◆ On average, total funding for Medicaid has increased about 14% annually from 1993 to 2003, while all other Health and Welfare programs had increased on average by 3%. During this same timeframe, the state budget grew around 7% each year.
- ◆ In 1993, Medicaid accounted for 13% of the total state budget. That figure increased to 21% in 2003.
- ◆ Conversely, all other programs in Health and Welfare also accounted for 13% of the total state budget in 1993, but has fallen to around 9% in 2003.

Medicaid Spending Vs. Enrollment



Medicaid Spending Outpaced Rise in Average Monthly Medicaid Enrollment from 1993 to 2003

- ◆ From 1993 to 2003 the growth in Medicaid expenditures outpaced the rise in program beneficiaries by 38%.
- ◆ Prior to 1999 Medicaid enrollment remained relatively stable, but began to increase significantly from that point forward. This is primarily due to those applying for the Children's Health Insurance Program (CHIPS).
- ◆ From 1999 to 2003, it is projected that average monthly Medicaid enrollment will increase by 73,832 which is an increase of about 86%.

Actual and Forecasted Medicaid Expenditures
by Fiscal Year

| <u>Type of Services</u> | <u>FY 2002</u> | <u>FY 2003</u> | <u>FY 2004</u> |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Inpatient Hospital | 108.9 | 117.6 | 123.1 |
| Nursing Facility | 120.2 | 128.2 | 128.3 |
| Prescribed Drugs | 114.2 | 122.0 | 131.1 |
| Waivered Services | 77.8 | 91.0 | 98.0 |
| Physician Services | 49.0 | 51.6 | 53.0 |
| Mental Health | 43.4 | 57.4 | 65.8 |
| Outpatient Hospital | 35.0 | 40.6 | 47.1 |
| Developmental Disability Center | 31.8 | 37.2 | 39.6 |
| ICF-MR Care | 34.6 | 35.6 | 35.8 |
| Dental Services | 20.4 | 16.3 | 18.0 |
| CHIPS | 16.7 | 17.8 | 18.1 |
| Targeted Case Management | 13.5 | 15.7 | 16.8 |
| Personal Care Services | 14.9 | 19.4 | 22.5 |
| Medical Transportation | 11.7 | 12.2 | 12.7 |
| Durable Medical Equipment | 9.6 | 8.0 | 6.9 |
| Medicare Parts A&B | 14.6 | 15.4 | 16.6 |
| Home Health Services | 6.9 | 7.3 | 7.9 |
| Other Practitioners | 6.2 | 7.2 | 7.8 |
| Physical Thereapy | 4.6 | 3.9 | 3.3 |
| Lab & Radiology Services | 7.7 | 9.7 | 10.2 |
| EPSDT Services | 3.8 | 3.4 | 2.8 |
| Rural Health Clinic Services | 4.2 | 5.5 | 7.2 |
| Federally Qualified Health Center | 1.7 | 2.1 | 2.5 |
| School District Services | 2.3 | 3.0 | 3.5 |
| Indian Health Services | 1.6 | 1.6 | 1.4 |
| Primary Care Case Management | 2.0 | 3.2 | 4.1 |
| Prosthetic & Orthotic | 1.1 | 0.9 | 0.8 |
| Group Health Plan Payments | 1.6 | 1.6 | 1.6 |
| Optician Services & Supplies | 1.3 | 1.1 | 0.9 |
| Outpatient Rehabilitation | 1.3 | 1.1 | 0.9 |
| Family Planning | 1.0 | 1.2 | 1.3 |
| Sterilizations | 0.7 | 0.6 | 0.5 |
| Hospice Benefits | 0.6 | 0.8 | 1.0 |
| Audiologist | 0.4 | 0.4 | 0.3 |
| Medical Supplies | 0.2 | 0.2 | 0.2 |
| District Health | 0.2 | 0.1 | 0.1 |
| Miscellaneous | 10.8 | 11.2 | 6.0 |
| Total | 776.5 | 853.0 | 897.7 |
| <i>Dollar Difference</i> | <i>88.3</i> | <i>76.5</i> | <i>44.7</i> |
| <i>%Change</i> | <i>13%</i> | <i>10%</i> | <i>5%</i> |